

# HOUSE BILL No. 1554

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 32-33-4.

**Synopsis:** Hospital liens. Amends the law concerning hospital liens to allow a hospital lien to apply to a judgment, cause of action, suit, or claim accruing to a patient under: (1) a policy of disability insurance; or (2) automobile or homeowner's insurance that provides for medical payments. Makes a conforming amendment.

**Effective:** July 1, 2015.

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## Lehman

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January 20, 2015, read first time and referred to Committee on Judiciary.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1554

A BILL FOR AN ACT to amend the Indiana Code concerning property.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 32-33-4-1, AS AMENDED BY P.L.2-2014,  
2       SECTION 116, IS AMENDED TO READ AS FOLLOWS  
3       [EFFECTIVE JULY 1, 2015]: Sec. 1. Subject to sections 3(c) ~~3(d)~~, and  
4       3.5 of this chapter, a person, a firm, a partnership, an association, a  
5       limited liability company, or a corporation maintaining a hospital in  
6       Indiana or a hospital owned, maintained, or operated by the state or a  
7       political subdivision of the state is entitled to hold a lien for the  
8       reasonable value of its services or expenses (including any amount  
9       designated as a copayment or deductible) on any judgment for personal  
10      injuries rendered in favor of any person, except:  
11      (1) a person covered by the provisions of IC 22-3, the state  
12      worker's compensation laws;  
13      (2) a person covered by the provisions of 5 U.S.C. 8101 et seq.,  
14      the federal worker's compensation laws;  
15      (3) a person covered by the provisions of 45 U.S.C. 51 et seq., the



1 Federal Employers Liability Act;

2 (4) an eligible person (as defined in IC 34-13-8-1) with respect to  
3 a distribution paid from the supplemental state fair relief fund for  
4 an occurrence (as defined in IC 34-13-8-2); and

5 (5) a person covered by the provisions of 42 U.S.C. 1395 et seq.,  
6 the federal Medicare program;

7 who is admitted to the hospital and receives treatment, care, and  
8 maintenance on account of personal injuries received as a result of the  
9 negligence of any person or corporation. In order to claim the lien, the  
10 hospital must satisfy the conditions for perfecting the lien as set forth  
11 in section 4 of this chapter and, not later than the date on which the  
12 judgment is rendered, enter, in writing, upon the judgment docket  
13 where the judgment is recorded, the hospital's intention to hold a lien  
14 upon the judgment, together with the amount claimed.

15 SECTION 2. IC 32-33-4-3, AS AMENDED BY P.L.205-2013,  
16 SECTION 341, IS AMENDED TO READ AS FOLLOWS  
17 [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) A person, a firm, a  
18 partnership, an association, a limited liability company, or a  
19 corporation maintaining a hospital in Indiana or a hospital owned,  
20 maintained, or operated by the state or a political subdivision has a lien  
21 for all reasonable and necessary charges for hospital care, treatment,  
22 and maintenance of a patient (including emergency ambulance services  
23 provided by the hospital and any amount designated as a copayment or  
24 deductible) upon any cause of action, suit, or claim accruing to the  
25 patient, or in the case of the patient's death, the patient's legal  
26 representative, because of the illness or injuries that:

27 (1) gave rise to the cause of action, suit, or claim; and

28 (2) necessitated the hospital care, treatment, and maintenance.

29 (b) The lien provided for in subsection (a):

30 (1) except as provided in subsection (c), applies to any amount  
31 obtained or recovered by the patient by settlement or compromise  
32 rendered or entered into by the patient or by the patient's legal  
33 representative;

34 (2) is subject and subordinate to any attorney's lien upon the claim  
35 or cause of action;

36 (3) is not applicable to a person covered by:

37 (A) the provisions of IC 22-3, the state worker's compensation  
38 laws;

39 (B) the provisions of 5 U.S.C. 8101 et seq., the federal  
40 worker's compensation laws;

41 (C) 45 U.S.C. 51 et seq., the federal liability act;

42 (D) IC 34-13-8 concerning a distribution paid from the



1 supplemental state fair relief fund to an eligible person (as  
 2 defined in IC 34-13-8-1) for an occurrence (as defined in  
 3 IC 34-13-8-2); or  
 4 (E) the provisions of 42 U.S.C. 1395 et seq., the federal  
 5 Medicare program;  
 6 (4) is not assignable; and  
 7 (5) must:  
 8 (A) first be reduced by the amount of any benefits to which the  
 9 patient is entitled under the terms of any contract, health plan,  
 10 or medical insurance; and  
 11 (B) reflect credits for all payments, contractual adjustments,  
 12 write-offs, and any other benefit in favor of the patient;  
 13 after the hospital has made all reasonable efforts to pursue the  
 14 insurance claims in cooperation with the patient.  
 15 (c) If a settlement or compromise that is subject to subsection (b)(1)  
 16 is for an amount that would permit the patient to receive less than  
 17 twenty percent (20%) of the full amount of the settlement or  
 18 compromise if all the liens created under this chapter were paid in full,  
 19 the liens must be reduced on a pro rata basis to the extent that will  
 20 permit the patient to receive twenty percent (20%) of the full amount.  
 21 ~~(d) A lien provided for in this chapter does not apply to a judgment;~~  
 22 ~~cause of action, suit, or claim accruing to the patient under:~~  
 23 ~~(1) a policy of disability insurance; or~~  
 24 ~~(2) automobile or homeowner's insurance that provides for~~  
 25 ~~medical payments.~~

